

# Protect Residential Consumers From Third-Party Electric Suppliers

03/28/2024

**The Honorable Karen E. Spilka**

President of the Senate  
State House Room 332

**The Honorable Ronald Mariano**

Speaker of the House  
State House Room 356

**The Honorable Aaron Michlewitz**

Chair, House Committee on Ways and Means  
State House Room 243

**The Honorable Michael J. Rodrigues**

Chair, Senate Committee on Ways and Means  
State House Room 212

**The Honorable Jeffrey N. Roy**

House Chair, Joint Committee on Telecommunications, Utilities and Energy  
State House Room 43

**The Honorable Michael J. Barrett**

Senate Chair, Joint Committee on Telecommunications, Utilities, and Energy  
State House Room 109D

Dear President Spilka, Speaker Mariano, Chair Michlewitz, Chair Rodrigues, Chair Roy, Chair Barrett, and Members of the Massachusetts Legislature,

As advocates for affordable, clean energy and consumer protections, we write to you to voice our strong support for the full legislature to pass the provisions contained in S.2106, *An Act Relative to Electric Ratepayer Protections*, sponsored by Senator Brendan Crighton.

S.2106 would prevent third-party suppliers from signing up new customers in the residential market, where data and first-person stories show consistent price-gouging and predatory practices. The bill does not affect the third-party market for commercial and industrial customers. Nor does it curtail municipal aggregation

programs that offer residents an alternative to basic service; often saving consumers money and allowing them to add more renewable energy.

A series of reports from the Attorney General's office reveal that consumers lose money when they enroll with a third-party supplier. From 2015 to 2022, consumers signed up with a supplier paid \$525 million more than they would have under basic service. Consumers are frequently lured in by low "teaser" rates that are then increased to well above basic service rates – some as soon as three months after enrollment. Unlike rates for basic service or municipal aggregation, supplier prices are not subject to regulation.

Even more concerning is how, and who, third party suppliers appear to target for enrollment. The data reveal that third-party suppliers often deploy aggressive marketing strategies that appear to target low-income communities, communities of color, non-native English speakers, people with disabilities, seniors, and students. Sales tactics range from pretending to be a representative from the local utility or the city, to signing up residents without their authorization.

Many of us have seen door-to-door marketers in our neighborhoods. Some of us have been directly approached by them. We can personally attest to the harassment they undertake and the misleading or false information they often provide, harming members of our organizations and the communities we serve.

For these wide-ranging harms, third-party suppliers fail to provide net benefits. They are more expensive than alternatives in the long run. They also fall short of helping Massachusetts advance its climate goals. Because many suppliers tend to purchase cheap energy credits from other states, their "100% renewable" plans often don't support the development of clean energy here in the Commonwealth. Third-party suppliers who take advantage of climate conscious consumers reinforce the false idea that green has to be more expensive.

Attorney General Andrea Campbell and Mayor of Boston Michelle Wu recently pointed out in *The Boston Globe* that years of enforcement have secured "only a little more than 3 percent of the \$525 million residents have lost since 2015," that "suppliers often make investigations difficult, even declaring bankruptcy to avoid accountability," and that "regulation has not succeeded in changing the behavior of the industry."

They conclude: "Years of data and the ongoing exploitation of residents make clear that this portion of the industry cannot be successfully transformed into a business that delivers net benefits rather than net harm to its customers. The only way to truly protect consumers is to ban third-party suppliers from the Massachusetts individual residential electric market."

Our organizations agree. The residential third-party supplier market must come to an end.

We do not believe that efforts to fix an industry that is beyond repair, including [H.3155](#), An Act Modernizing Competitive Energy Supply, will ultimately succeed in protecting our communities from high costs and predatory marketing practices.

We, the undersigned advocates and community leaders, join Attorney General Campbell, Mayor Wu, and our colleagues in the House and Senate in enthusiastically supporting S.2106, and urge the legislature to pass these critical protections without delay.

Thank you for your support and consideration.

**Signatories as of April 4, 2024:**

350 Mass  
Acadia Center  
Action For Boston Community Development  
Action for Equity  
Airport Impact Relief  
All In Energy  
Allston Brighton Health Collaborative  
Alternatives for Community & Environment  
Arise for Social Justice  
BeMoreGreen2 LLC / GoMortonGreen  
Berkshire Community Action Council  
Berkshire Environmental Action Team  
Berkshire Photovoltaic Services  
Black Economic Council of MA  
Boston Climate Action Network  
Boston Green Action  
Boston Harbor Storm Surge Working Group  
Brookhaven Residents' Climate Change Committee  
Brookline's Zero Emissions Advisory Board  
Cape Ann Climate Coalition  
Central Berkshire Habitat for Humanity  
Centro Presente  
Chinatown Community Land Trust  
Chinese Progressive Association  
Citizens Climate Lobby (South Shore & Cape)  
Citizens for Citizens  
City in the Woods  
Clean Water Action  
Climate Action Brookline  
Climate Reality Massachusetts Southcoast  
Codman Square Neighborhood Development Corporation  
Community Economic Development Center  
Community Labor United  
Conservation Law Foundation  
Cooler Communities  
Dorchester Bay Economic Development Corporation  
Eastie Farm  
EcoFriendlyBeer.com  
Elders Climate Action - Massachusetts Chapter  
Emerald Cities Collaborative  
Ener-G-save  
Energy Allies  
Environmental League of Massachusetts  
Fairmount Indigo CDC Collaborative  
Franklin County Climate Crisis Task Force  
GreeningRozzie  
GreenRoots  
Groundwork Lawrence  
Health Care Without Harm Massachusetts  
HERO Nurturing Center  
Home Energy Efficiency Team  
Homeless Prevention Council  
Housing Nantucket  
Jewish Climate Action Network, MA  
Just A Start Corporation  
Kings Chapel Environment Committee  
Lawyers for Civil Rights  
Legal Services of Harvard Law School  
Lexington Climate Action Network  
Local Initiatives Support Corporation Boston  
Low-Income Energy Affordability Network  
Mass Audubon  
Mass Energy Directors Association  
MassSolar  
Merry Go Rounds  
Metropolitan Area Planning Council  
MLPB  
Mothers Out Front Massachusetts  
Mystic River Watershed Association  
National Consumer Law Center  
Neighborhood of Affordable Housing  
No Fracked Gas in Mass  
Old Colony Planning Council  
Planning Office for Urban Affairs  
Pollinator Networks  
Quincy Climate Action Network  
Quincy Community Action Programs  
Renew Worcester  
Resist the Pipeline  
Rewiring America  
Sierra Club Massachusetts  
Slingshot  
Suntility Electric LLC  
The Neighborhood Developers  
Transition House  
Unitarian Universalist Mass Action  
Westside Legends  
Worcester Common Ground  
Worcester Community Action Council  
ZeroCarbonMA

***List in formation.***